

**324.395 Errors and omissions insurance mandatory for all active status licensees --
Extended reporting period coverage insurance for inactive licensees.**

- (1) All real estate licensees, except those whose licenses are in inactive status in accordance with KRS 324.310(2), shall carry errors and omissions insurance to cover all activities contemplated under this chapter. Inactive licensees shall obtain extended reporting period coverage insurance for one (1) year at the current minimum requirements then in effect prior to entering inactive status.
- (2) The commission shall make the insurance mandated under this section available to all licensees by contracting with an insurance provider for a group policy, after competitive, sealed bidding in accordance with KRS Chapter 45A.
- (3) Any policy obtained by the commission shall be available to all licensees with no right on the part of the insurance provider to cancel any licensee.
- (4) Licensees shall have the option of obtaining the required insurance independently, if the coverage contained in the policy and the financial condition of the insurance company complies with the minimum requirements established by the commission.
- (5) The commission shall determine the terms and conditions of coverage mandated under this section, including, but not limited to, the minimum limits of coverage, the permissible deductible, and permissible exemptions.
- (6) Each licensee shall be notified of the required terms and conditions of coverage for the biennial policy at least thirty (30) days prior to the biennial license renewal date. A certificate of coverage, showing compliance with the required terms and conditions of coverage, shall be filed with the commission by the biennial license renewal date by each licensee who opts not to participate in the group insurance program administered by the commission.
- (7) If the commission is unable to obtain the insurance coverage required by subsection (1) of this section to insure all licensees who choose to participate in the group insurance program at a reasonable annual premium, not to exceed two hundred dollars (\$200) per year for required insurance coverage and not to exceed two hundred dollars (\$200) per year for extended reporting period coverage, then the insurance requirement mandated by this section shall be void during the applicable contract year.

Effective: June 27, 2019

History: Amended 2019 Ky. Acts ch. 135, sec. 7, effective June 27, 2019. -- Amended 2004 Ky. Acts ch. 45, sec. 9, effective July 13, 2004. -- Amended 2000 Ky. Acts ch. 488, sec. 30, effective July 14, 2000. -- Amended 1992 Ky. Acts ch. 448, sec. 28, effective July 14, 1992. -- Created 1986 Ky. Acts ch. 49, sec. 1, effective July 15, 1986.